Remarks

The applicant presents the following remarks as a full response to the outstanding Office Action. The applicant has extensively amended the claims, yet submits that no new matter has been added thereto. The amendments are offered herein as a good faith effort to clearly and succinctly recite the subject matter of the claimed invention. In light of the amendments, some specific assertions made by the Office in the Detailed Action became no longer relevant and, as such, the applicant sought only to address all assertions, both explicit and implied, that remained at issue. The applicant respectfully requests the Office's careful consideration of the arguments presented in this response in light of the amended claims. Based on the art that has been cited, the applicant respectfully submits that the claims are allowable and such action is requested of the Office.

Request for Interview

The applicant has placed several calls to the Office to set up an interview but has not received a return call. Is the examiner listed on the response still the active examiner for this case and/or is the listed telephone number correct? The applicant has now submitted an interview request form for August 26, 2999 at 9:00am. The applicant requests the examiner to confirm this conference time.

Claim Rejections – 35 U.S.C. § 112

Beginning at page 4 of the Detailed Action, the Office has rejected claims 3 and 12 under the first paragraph of 35 U.S.C. 112 declaring that the claims fail to comply with the written description requirement. Further, the Office has rejected claims 3-11 under the second paragraph of 35 U.S.C. 112 declaring that the claims fail to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

With regards to claim 3, the Office takes issue with the inclusion of the phrase "with particular characteristics" asserting that the language renders claim 3 unallowable under *both* paragraphs of 35 USC 112 referenced above. That is, the Office apparently finds the language to be both unsupported *and* indefinite. Notably, the claim was amended to include the very phrase in an effort to cure a previous rejection by the Office, under the second paragraph, when it asserted that the element beginning with the phrase "qualifying the particular customer" rendered

the claim indefinite because it was unclear as to what was being measured, how it was being measured and how the value was being ranked or applied. By adding the "with particular characteristics" language to describe an account that is created, especially taken in light of well established and known industry practices, the applicant maintains that it becomes very clear what the end result is of "qualifying the particular customer," namely the end result is the creation of an account "with particular characteristics."

Referring back to the arguments previously submitted in support of the amended recitation that an account is created "with particular characteristics," the applicant also maintains that the particular characteristics associated with account types in the banking industry seemingly vary by numbers exceeded only by the stars in the sky. Accounts in the banking industry have myriad purposes, structures, limitations, stipulations, graces and, of course, associated account holder qualifications. All account holders are truly not created equal. Ergo, all accounts in the banking industry are truly not equal. This is not the speculation of the applicant but, rather, facts well known in the art of banking and finance. Accordingly, the applicant submits that the recitation of an account "with particular characteristics," being well known in the art, does not require specific support in the specification, although it is clearly supported at least at page 11, lines 27-31 and page 12, beginning at the first paragraph. Also, the applicant further submits that because accounts "with particular characteristics" are inarguably known in the art of banking and finance, the inclusion of the phrase cannot be construed as indefinite. Accordingly, an account "with particular characteristics" is both definite and supported, both impliedly and explicitly.

The applicant respectfully submits that the language, in its previous form, is both supported in the specification and definite due to being well recognized in the art. Therefore, the Office is respectfully requested to withdraw any rejection based on the grounds set forth in 35 U.S.C. 112.

Therefore, the applicant stands forth that claim 3 meets the standard as set forth by the Code at 35 U.S.C 112 and respectfully requests the Office to acknowledge it as such and withdraw the rejection based on those grounds.

With regards to claim 12, the Office holds that 1) the language "establishing payment performance requirements" is not supported in the specification and 2) the language "cause a fund extraction from the customer's direct deposit account if the customer fails to meet the

established payment performance requirements" renders the claim indefinite because it is unclear as to what types of payment performance requirements exist on the customer.

With regards to issue 1, the applicant points out that "establishing payment performance requirements" is well known in the art of banking and finance. As articulated above, no two account holders are identical, from a credit risk point of view anyway, and, as such, it is common knowledge that banks establish varied payment performance requirements among their account holders. For example, an account holder of a checking account with a high credit rating and a well funded separate savings account may be afforded free overdraft services while a different account holder with a low beacon score and no savings may be charged fees for an overdraft. Accordingly, the applicant submits that specific support in the specification is not required for the limitation "establishing payment performance requirements" as the practice is well known in the art, although the language is, in fact, clearly supported at least with the exemplary embodiment proffered beginning at page 4, line 25 of the specification.

With regards to issue 2, claim 12 has been amended, with traverse, per the Office's recommendation under section 5 of the Detailed Action. The amendment presumably renders the Office's rejection of the claim element under paragraph 2 as moot. Even so, the applicant entered the amendment with traverse and submits that the amendment is not necessary as the language "cause a fund extraction from the customer's direct deposit account if the customer fails to meet the established payment performance requirements" is supported in the specification at least with the exemplary embodiment proffered beginning at page 4, line 25 of the specification. Further, the embodiment described at the aforementioned reference is *exemplary* in nature and is offered to illustrate just one example of a potential "payment performance requirement" that may be enforced in the industry. It is established that payment performance requirements are well known in the art and, therefore, the claim should not be limited to a specific type of payment performance requirement, as the Office suggests.

It should also be noted that even thought the applicant points out that various aspects are well known in the art with regards to the Offices rejections under 35 USC 112, they are not obvious additions in these claims but rather are novel elements in that the elements have not been combined or utilized as presented in the claims.

The applicant respectfully submits that the language, in its previous form, is both supported in the specification and definite due to being well recognized in the art. Therefore, the

Office is respectfully requested to withdraw any rejection based on the grounds set forth in 35 U.S.C. 112.

With regards to claims 4, 5, 7, 8, 11 and 13-15, these claims are dependent claims that depend either directly or indirectly from independent claims 3 and 12 and, as such, are also in condition for allowance. Acknowledgement as such is respectfully requested of the Office.

Claim Rejections – 35 U.S.C. § 103

In the Detailed Action, claims 3-19 of the present disclosure are rejected per 35 U.S.C 103(a) on the grounds of being obvious. The Office submits that the subject matter recited by claims 3-11 is obvious when the arts of Kjonaas et al. (U.S. Patent Publication 2001/0007332) and Lawlor et al. (U.S. 6,202,054) are combined and/or taken in view of various combinations of Fulton et al. (U.S. 6,182,052), Vasic (U.S. Patent Publication 2001/0034676), Liebermann (U.S. 7,287,009), INGdirect.com (web.archive.org, October 10, 2002) and Risafi et al. (U.S. 6,473,500). Further, the Office submits that the subject matter recited by claims 12-19 is obvious when the art of Weiss et al. (U.S. 5,866,889) is taken in view of various combinations of Vasic (of record), Kjonaas (of record), the Palm Beach Post (1999) and an Official Notice. After extensively amending the claims to more clearly recite the limitations of the invention, including cancelation of dependent claims with subsequent incorporation of the limitations of those dependent claims into independent claim 3, the applicant stands forth that the subject matter recited in the remaining claims of the present claim set is not rendered obvious or anticipated by any combination of the aforementioned arts.

To reiterate the nature of the applicant's disclosure, a banking method and system is disclosed that operates to provide financial services useful for generating, over time, an improved credit rating for a banking customer who possesses a less than desirable credit history. Existing banking methods and systems in the art fail to provide a means by which a bank can set its risk exposure at a prudent level when offering credit related services to customers with a credit profile that falls outside the bank's established guidelines, without requiring liens on capital or exacting interest rates significantly higher than those offered to preferred customers.

To mitigate a bank's risk without overburdening a customer who exhibits minimal creditworthiness, the applicant discloses a system and method that combines a somewhat

traditional checking account having a check card with a deposit account having funds earmarked for securing at least a portion of purchase transactions that exceed the balance of the checking account. Advantageously, such a system and method affords a bank much more flexibility than existing methodologies in that transactions exceeding the balance of the checking account can be covered by the earmarked funds in the deposit account, thereby avoiding the need for exacting overdraft charges or extending completely unsecured credit at a necessarily high interest rate. Further, the system and method disclosed by the applicant is mutually advantageous for the customer with a poor credit history as any purchase and repayment behavior associated with the account, even though technically at least a portion of all the customer's transactions are collateralized by the earmarked funds in the deposit account, is useful for establishing an improved credit rating.

No combination of the arts cited by the Office suffices to anticipate each element of the method and system recited in the presently amended independent claims 3 and 12 nor operates to render them obvious. More specifically, no combination of the art describes, suggests or teaches extending a line of credit to a checking account holder who has completed a purchase transaction for an amount that exceeds the balance of the checking account, with at least a portion of the extended line of credit being secured by earmarked funds in a separate deposit account, such that the account holder may:

1) receive the line of credit at an interest rate lower than what would normally be commensurate with his associated credit rating; and

2) benefit from an improved credit score with the demonstration of a positive payment behavior.

From the Detailed Action, the applicant discerns that the Office may seemingly rely on the teachings of Vasic in order to contend that the functionality articulated above is anticipated. If so, the applicant disagrees and respectfully submits that Vasic does not describe, suggest or teach any such methodology. Vasic, in fact, teaches a payroll deduction system wherein an employee may request and receive funds from a 3rd party that is subsequently authorized to receive a repayment of the funds deducted from the employee's future payroll check (see Vasic at Abstract, para. 23, and elsewhere). At paragraph 24, as the Office notes, Vasic suggests that funds may be advanced to the employee from the 3rd party via a "line of credit." Even so, interpreted in context with Vasic's full disclosure, the "line of credit" Vasic teaches is actually a

cash advance on a future paycheck. I.e., for a service fee, the 3rd party will extend the employee a certain amount of funds that will subsequently be automatically debited, in full, from a future payroll check. Importantly, nowhere does Vasic describe, suggest or teach that the "line of credit" may be repaid over time by the employee in lieu of the automatic payroll debit, as is recited in the currently amended claims.

Further, Vasic, at paragraph 28, describes various factors known in the art that may be used for establishing the amount of credit to be extended to a customer, but stops short of teaching that funds drawn against the line of credit may be paid back per predetermined performance requirements in lieu of automatically debiting the amount of credit extended from a payroll check. To be clear, Vasic teaches an automated "payday loan" wherein the presence of collateral for the loan is established (authorization to debit a future paycheck), the loan is extended, and the repayment of the loan is automatically debited from a future paycheck owed the lendee (employee). Vasic does not describe, suggest or teach that the lendee may receive the full amount of the payroll check with the subsequent expectation that the lendee will "make payments" on his own accord to the 3rd party lender, thereby establishing a positive credit history.

The inventive steps of the applicant's system and methodology operate with other steps known in the art of banking and finance to advantageously provide a bank with a means to provide a line of credit to a customer desirous of improving his credit rating, without over exposing the bank to a risk of loss or the customer to excessive interest rates and/or production of capital-based collateral. The applicant recognizes no combination of the cited arts that may anticipate each element recited in the presently amended claims and respectfully submits that independent claims 3 and 12 are in condition for allowance as well as each pending claim depending either directly or indirectly there from. Therefore, the applicant respectfully requests the Office to find each claim in condition for allowance.

Conclusion

For at least the reasons outlined above, the arts cited by the Office, taken alone or in combination, do not provide sufficient grounds for rejection of the present claims. Accordingly, the applicant submits that independent claims 3 and 12 are in condition for allowance. Also, each of the claims depending from claims 3 and 12 are also in condition for allowance.

Therefore, the applicant respectfully requests that the Office reconsider the claims and allow all claims of the application now pending.

If the Office has any questions or if there are any actions that can be handled through an Examiner's Amendment, the applicant requests the Office to contact the attorney of record using the below-provided contact information.

Respectfully submitted,

/Gregory Scott Smith/

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